

● ● ● ● ● ● ● ● ● ● ● ● ● ●

Historical Investment Pools

U.S. Treasury Fund Investments (Historical)

- Money market investments comprising:
 - Repurchase agreements collateralized only by U.S. Treasury obligations, including bills, notes, and bonds, and only when the collateral carries a market value equal to or greater than 102% of the amount of the repurchase agreements, and only when the custodial bank appointed by Treasury will take custody of the collateral;

● ● ● ● ● ● ● ● ● ● ● ● ● ●

● ● ● ● ● ● ● ● ● ● ● ● ● ●

- The manager may not invest more than 5% of the portfolio's assets in BBB+ to BBB- rated debt by Standard and Poor's Corporation or the equivalents by Moody's or Fitch.
- Internal cross trades are permitted at prevailing market levels, in accordance with Department of Labor's Prohibited Transaction Exemption 95-66.

Risk Tolerance	Moderate. The daily investment results reflect daily changes in the market value of the pool's investments. Losses are possible over the short-term based on the changes in market value of the pool's assets, though less likely than other pools which take on more credit risk.
Investment Objectives	Willing to assume a higher amount of interest rate risk, volatility and principal loss to achieve higher returns.
Current Income	Daily earning credit. The earnings of the fund include interest and changes in the market value of the investments held in the pool. There is no distinction between current income and capital gains.
Inflation Protection	Moderate need for long-term inflation protection. The pool should earn a positive real rate over an intermediate time horizon while meeting its other objectives.
Liquidity	Need for moderate liquidity. The pool can accommodate withdrawals and contributions (exceeding \$5,000,000) in the normal operating environment.
Time Horizon	Moderately long time horizon. The longer time horizon allows a more aggressive investment policy with higher expected returns than the Intermediate-term Pool.

100% Barclays US Intermediate Treasury Index.

POLICIES AND PROCEDURES APPLICABLE
TO THE TREASURY DIVISION,
DEPARTMENT OF REVENUE,
STATE OF ALASKA
● ● ● ● ● ● ● ● ● ● ● ● ● ● ● ●

State Street Global Advisors Passive Bond Market Index Common Trust Fund (Historical)

1. Description and History

The Passive Bond Market Index Common Trust Fund became available to fund participants in March 2003 and is an efficient investment option for fund participants requiring a broad market fixed income option. Money is invested in a passively managed index fund that includes other, non-State institutional investors. When investing in this Trust, the State does not own the individual securities, but instead, much like an investment in a mutual fund, it owns shares of the Trust.

2. Investment Policy

Treasury invests money in State Street's Passive Bond Market Index Common Trust Fund. According to the State Street Global Advisors, the objective is to match the total return of the Lehman Aggregate Index while minimizing tracking error. Consequently, the risk characteristics of the Common Trust Fund approximates the risk of the fixed income market.

Investment in this option is ideal for funds needing to invest part or all of their money with the following characteristics:

Risk Tolerance	High. The daily investment results reflect daily changes in the market value of the common trust investments. Losses are likely over the intermediate-term based on the changes in market value of the common trust assets.
Investment Objectives	Willing to risk significant short-term volatility and principal loss for the possibility of large gains in the long-term.

● ● ● ● ● ● ● ● ● ● ● ● ● ●

100% Barclays US Aggregate Bond Index.

Treasury invested money in Lazard Emerging Income Plus Fund (the Fund) from September 2008 until Spring 2011. The stated objective of the Fund was an absolute return strategy that sought leveraged exposure to currencies of emerging market countries by invests in money market instruments, including short-duration

● ● ● ● ● ● ● ● ● ● ● ● ● ●

Investment in this option was for funds needing to invest part of their money with the following characteristics (*funds are no longer invested in this option*):

Risk Tolerance	High. The daily investment results reflect daily changes in the market value of Fund investments. Losses are likely over the intermediate-term based on the changes in market value of the common trust assets.
Investment Objectives	Reduce the volatility of State portfolios that currently invest in equities.
Current Income	The Fund is not a source of current income.
Inflation Protection	Moderate need for long-term inflation protection. The Fund should earn a positive real rate over an intermediate time horizon while meeting its other objectives.
Liquidity	Liquidity is limited. New investments are allowed on the first business day of any month. Shares may be redeemed on the last business day of any month, with 60-days prior notice. No partial redemptions are allowed which would leave a balance of less than \$1 million. Redemptions within the first 12 months of initial subscription are subject to a 2% redemption fee.
Time Horizon	Moderately long to long time horizon. The long time horizon allows a more aggressive investment policy with higher expected returns than the other fixed income options.

100% 3-month LIBOR + 800.